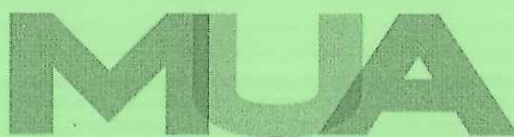


The
Management
University
of Africa



Sponsored by the Kenya Institute of Management

POST GRADUATE UNIVERSITY EXAMINATIONS

SCHOOL OF MANAGEMENT AND LEADERSHIP

DEGREE OF MANAGEMENT AND LEADERSHIP

MML 5204: CRISIS MANAGEMENT

DATE: 5th APRIL 2018

DURATION: 3 HOURS

MAXIMUM MARKS: 60

INSTRUCTIONS:

1. Write your registration number on the answer booklet.
2. **DO NOT** write on this question paper.
3. This paper contains **FOUR (4)** questions.
4. Question **ONE** is **compulsory**.
5. Answer any other **TWO** questions.
6. Question **ONE** carries **30 MARKS** and the rest carry **15 MARKS** each.
7. Write all your answers in the Examination answer booklet provided

QUESTION ONE

Read the Case Study below carefully and answer the questions that follow:

DRUG ABUSE IN THE WORKPLACE

Accused of using cocaine, an administrative assistant storms out of the office for good. Was there a better way to handle the situation?

When Amber Peetz started her job as an administrative assistant at a five-person public relations firm, she seemed to come with no liabilities. "She got here on time, worked steadily, dressed professionally, and always double-checked her work," recalls Liz Leslie, owner of the agency. "She was meticulous and reliable in every way."

About a year into her tenure, however, her behavior became strange and inconsistent. Although she still finished her projects on time for the most part, she started arriving late and calling in sick frequently. "It was always a different excuse," says Liz. "One day it was a fender bender, another day her alarm didn't go off, and once she 'had to stop and help another driver with a flat tire.' I noticed that a lot of her sick days fell right around the time she'd get her paycheck. We'd ask her how she was feeling after she came back to work. It would always be, 'Oh, I'm fine. It was just a 24-hour thing.'"

After her absences, Amber would sometimes make up time by working 16-hour days. Co-workers appreciated her dedication, but the inconsistency was a bit alarming.

Asking for a Loan

A few months later, Amber's salary suddenly seemed inadequate. She borrowed \$200 from Kelly Jacob, one of the account executives. Amber's story? "I need to pay the handyman to fix my shower. That's why I've been late. It takes forever to get ready for work, because the showerhead only gives a trickle of water."

It sounded a bit strange, particularly since Amber lived in a rental building where plumbing problems should probably be fixed by the superintendent free of charge. Nonetheless, "Amber had never asked me for money before, so I figured there must be a good reason," says Kelly. "She was very grateful. She thanked me profusely and promised she would make it up to me soon. But it turned out she'd also borrowed money from Liz, and both of us are still waiting to be paid back."

The call to action came about four months into the bad behavior. Customers began to complain Amber was short-tempered with them on the phone. When Liz spoke to Amber about it, she said she was terribly sorry, that she was grappling with a caffeine problem and would cut down on coffee to even out her mood. Still, Amber's mild temperament was giving way to frenetic mannerisms.

Bathroom Confrontation

The final straw was one late night when Liz stopped by the office late to pick up some papers and surprised Amber in the ladies room, where she saw her sniffing a white powdered substance on a compact mirror. "Oh, Liz," Amber stammered. "I just crushed some aspirin. I can't swallow whole tablets. I have a migraine." Suddenly, everything about Amber's changed behavior seemed to make sense.

The next morning, Liz stopped by a drug counseling center, picked up some brochures about getting help for substance abuse, and placed them on Amber's desk before she got to work.

Although Amber removed the pamphlets and never mentioned them, they seemed to scare her straight—for a total of three days. After that, the same pattern emerged: lateness, inconsistency, frenetic mannerisms, and more tales about why she needed to borrow extra cash. Liz called Amber into her office. "Amber," she said. "I normally don't get involved in my employees' personal lives, but clearly you have a cocaine problem, and it has to stop."

Quitting the Job

"I would never use cocaine," Amber cried defensively. "I'm a good person. Everyone thinks so. You can ask my friends. I don't take drugs, and I never would!" She left in a huff.

The next morning, Amber called in her resignation. "I quit starting now," Amber's voice said on Liz's voice mail. "I've given everything to this job including nights and weekends. You don't appreciate it, so I'm gone."

Amber never came back, and it took months to find and train a good replacement for her. Did Liz do the right thing?

A business owner misses some good opportunities to confront a cocaine-using worker—and leaps into a counterproductive initiative to contend with the situation

When suspected drug use turned a model worker named Amber into an unpredictable threat to the business—and she was even caught snorting a powdered substance in the ladies room—her boss Liz deduced she was using cocaine.

To help, she left drug counseling pamphlets on Amber's desk and asked that she seek help. But all that resulted was a vigorous denial from Amber, followed by her resignation the next day. So what did the employer do wrong?

Well, pretty much everything, say experts.

Waited Too Long

Not that Liz's intentions weren't good and honorable. By confronting Amber, Liz hoped to compel her back into her former admirable work habits and keep her on the payroll. And Liz's assumption that Amber was abusing cocaine was probably correct—in fact, it was fairly obvious, even before Liz caught her in the act. Requests to borrow cash, increases in absenteeism sometimes followed by marathon stints of productivity, frenetic mannerisms, and "sick" days called in right after pay day (when the employee is flush with cash to purchase contraband) are all signs of a cocaine problem, according to drug counselor John Bliss.

Here's where Liz erred. First, she waited too long to confront Amber. "When people begin using drugs, there's often a period where they could swing either way," says Bliss, a psychoanalyst who counsels substance abusers at the Second Wind clinic in Manhattan. "If her boss had made an issue right after Amber's performance started lagging, it might have halted the drug abuse before it became serious."

But leaving pamphlets and making accusations aren't good routes to positive change. "You don't want to do anything public that could embarrass her, like placing literature on her desk," says Bliss. "And you don't want to make accusations. Instead, stick to behavior-based criticisms. Explain to her that the lateness and absenteeism and rudeness to clients are unacceptable and bad for business."

Allegations Spell Trouble

You can also cite other workplace rules early on. "The first time an employee asks to borrow money, you could step in and stop it if it's against company policy," says Linda Wong, a partner in Wong Fleming, a Princeton (N.J.)-based legal firm that specializes in employment law.

But making allegations based on the employee's physical behavior could spell trouble. "But you don't want to bring up physical impairments unless you're sure they're related to drug use. It could be a person is limping not because he's drunk but because of an orthopedic problem that's protected as a disability [under the Americans With Disabilities Act]," Wong says.

So how can an employer find out for sure whether a worker is abusing drugs or alcohol? The answer is easier than it seems, even for tiny businesses like the five-person PR agency in our case study: a written drug-testing policy and a contract or relationship with an outside facility that can perform the tests immediately upon request. According to the Partnership for a Drug Free New Jersey, it's companies with fewer than 250 employees that tend to lack formal drug policies.

Drug Policies Help

Implementing drug policies serve a higher purpose than simply rooting out employees who aren't pulling their weight. According to figures from the Occupational Safety & Health Administration, 10% to 20% of people who die on the job test positive for alcohol or drugs. (Hence the prevalence of random drug testing in industries that involve driving, shipping, or use of heavy equipment.)

"If you have a suspicion that an employee is using illegal drugs [or abusing alcohol], you should send the worker to have a drug test right there," says Manesh Rath, an attorney in the Washington, D.C., office of the law firm Keller & Heckman LLP.

For companies that can't afford to pay attorneys or other HR consultants to formulate drug-testing policies, Rath suggests contacting a trade association such as the National Federation of Independent Businesses for help.

It Can Happen Here

Employers can also look to local nonprofits for assistance. One such organization, the Partnership for a Drug-Free New Jersey, based in Millburn, offers a free kit that instructs businesses how to set up policies for drug and alcohol use and where to direct employees for substance-abuse counseling.

And for those employers who think drug abuse "can't happen here," there are sobering facts. Of the 17.2 million illicit drug users 18 years or older, 12.9 million (74.8%) were employed either full time or part time, say 2005 figures from OSHA.

Gerard Marini, a business consultant to the Partnership for a Drug-Free New Jersey, suggests employers use drug policies as an avenue to help workers control their substance policies—rather than as a basis for firing them. "There are regimens such as Alcoholics Anonymous and Narcotics Anonymous that don't have to cost," says Marini. Some firms large and small actually pay for the entire cost of an employee's multi-week stay in a long-term rehabilitation facility.

Either way, the effort could prove itself well worth the employer's time and effort. Says Angelo Valente, executive director of the Partnership for a Drug Free New

Jersey: "Workers who are rehabbed with the help of employers often end up becoming very good and loyal employees."

Required:

- a) Conduct an analysis of the leadership roles and competencies as they appear on the case. (15 Marks)
- b) Elaborate on what LIZ could have done better to remedy the situation. (15 Marks)

QUESTION TWO

- a) Synthesise the Sources and nature of organizational crisis (9 Marks)
- b) Discuss the term "BCP fundamentals". (6 Marks)

QUESTION THREE

- a) Evaluate the practicality of the Risk Assessment model (8 Marks)
- b) "Crisis Communication plan is a preemptive move of preparing for the inevitable", Discuss. (7 Marks)

QUESTION FOUR

- a) Critically elaborate on each stage of the six phases of crisis management (9 Marks)
- b) Using relevant examples, deduct the order of the crisis life cycle. (6 Marks)

